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Requirements for Soviet Travelers in U. S.

Background:

It was reported in the 30 June 1959 edition of the New York Times that Mr. Frol Kozlov brought with him "the heads of ten of the largest (Soviet) export organizations". Mr. Harry Schwartz continued his story with the statement that an attempt was being made by the USSR to expand its exports to the United States.

This office learned through personal contacts in the State Department that three groups of Soviet personnel (presumably from the Kozlov group) have received permission to visit three areas in the United States which are ordinarily closed to Soviet visitors. These three locations are Dallas, Texas; Wilmington, Delaware, and Whitinsville, Massachusetts. It was also learned that these Soviet visitors wished to talk with officials of three US companies in these cities - in order: Dresser Industries (Manufacturers of Oil Field Equipment) DuPont (Chemicals) and White Machine Company (Textile Machinery). Draper Company was also mentioned but it is located in Hopedale, Massachusetts.

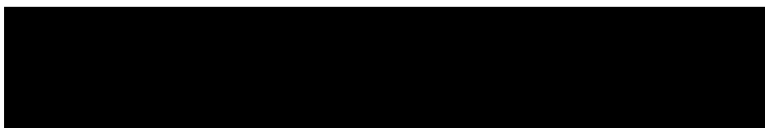
In the case of Dresser Industries of Dallas it is well known that the USSR sold them some "turbodrills" in 1956 and that there has been a business relationship between them since that date. To the best of our knowledge the current visit is an attempt by the Soviet traders to encourage the sale of more turbodrills and at the same time attempt to purchase "rock bits" for use in Soviet oil field operations.

In the case of the DuPont visit the purpose is unknown and could involve an attempt by the USSR to sell chemicals, but this is considered unlikely (M/CH should have an opinion on this). A second and more likely reason for the visit could be an attempt by the Soviet traders to obtain DuPont technical assistance and production information for use by the Soviet Chemical and Chemical Equipment Industries.

The visit to White Machine Company in Massachusetts is the most puzzling of all the three visits because it is almost certain that they could only be there to purchase or consult on US textile machinery. This seems rather curious in view of the recent tour of USSR Textile Machinery personnel in the US as guests of the President of IMTMA, Mr. Sidney S. Schurer and the early 1959 visit of Mr. Schurer to the USSR. Mr. Schurer has outlined Soviet needs and has submitted many offers to them over the past period** and how the Soviet traders could possibly need any more information on US textile machinery, prices, etc., is beyond comprehension.

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** See for example:



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This office has requirements which should be served on the US businessmen contacted by the Soviets. These requirements have been coordinated with I/FE.

Requirements:

1. What was the reason for the visits of Soviet officials to the three American cities (Dallas, Wilmington, and Whitinsville)?
2. If the purpose of these visits was to set-up Soviet export contracts what Soviet-made products are involved?
3. What are the full details on the Soviet export products (such as quantity, prices, delivery terms, financial arrangements, parts, etc.)
4. Were there any negotiations in Dallas, Texas with the Dresser Company concerning Soviet Turbodrills? If so, what happened.
5. Did the talks in Wilmington, Delaware with DuPont officials involve the sale of any machinery and equipment or processes which DuPont controls directly or through American or foreign affiliates?
6. If the answer to No. 5 above is "Yes". Give all details.
7. Did the officials of White Machine Company in Whitinsville, Massachusetts sell any textile machinery to the Soviet visitors? If so, give details.
8. Explain the connection between the American firm INTERTEX headed by Mr. Sidney S. Schurer and the White Machine Company.
9. Is INTERTEX connected with any other US firms, such as Barber-Colman, Draper, etc.?
10. Why did the Soviet officials feel it necessary to visit Whitinsville after such extended negotiations earlier this year with Mr. Schurer?
11. Do any of the above visits appear to be more than mere informational trips? Or do the American officials feel that the same thing will happen as apparently happened after Mr. Schurer's negotiations in Moscow - i.e., the USSR will begin purchasing machinery in the UK or other European market despite some evidence that they were ready to deal with the American companies.
12. Is there any product connection between the trips to Wilmington, Delaware and Whitinsville, Massachusetts? It is possible that synthetic fibres and textile machinery could be the link.
13. Did any of the Soviet visitors reveal any information on Soviet foreign trade results in 1958; status in 1959; and export-import goals for 1965?

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14. What are the American businessmen's opinion's of the chances for increased sales of US machinery and equipment to the USSR and the sale of USSR machinery to the US?
15. Give as many personal (i.e., government, industry, etc.) details on each of the Soviet officials as possible.

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